

2001 DRAFTING REQUEST**Bill**Received: **09/20/2000**Received By: **kenneda**Wanted: **As time permits**

Identical to LRB:

For: **Charles Chvala (608) 266-9170**By/Representing: **Maribeth (aide)**This file may be shown to any legislator: **NO**Drafter: **kenneda**

May Contact:

Alt. Drafters:

Subject: **Health - miscellaneous**
Health - public healthExtra Copies: **ISR**

Pre Topic:

No specific pre topic given

Topic:

Universal health care

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kenneda 11/22/2000	csicilia 11/29/2000					S&L
/1			kfollet 11/30/2000		gretskl 11/30/2000		S&L
/2	kenneda 01/26/2001	hhagen 01/26/2001	rschluet 01/29/2001		lrb_docadmin 01/29/2001	lrb_docadmin 02/16/2001	

FE Sent For:

<END>

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12 hprk
1/26/01


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1-29-01

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Received: 09/20/2000

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Wanted: As time permits

Identical to LRB:

For: Charles Chvala (608) 266-9170

By/Representing: Mary Beth (aide)

This file may be shown to any legislator: NO

Drafter: kenneda

May Contact:

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1999 DRAFTING REQUEST

Bill

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Wanted: As time permits

Identical to LRB:

For: Charles Chvala (608) 266-9170

By/Representing: Maribeth (aide)

This file may be shown to any legislator: NO

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May Contact:

Alt. Drafters:

Subject: Health - miscellaneous
Health - public health

Extra Copies: ISR

Pre Topic:

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Topic:

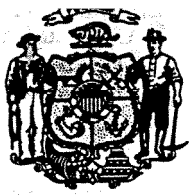
Publicly financed statewide health care system

Instructions:

See Attached; changes to 97-0439

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kenneda 12/21/1999	wjackson 01/06/2000					S&L
/1			jfrantze 01/07/2000 jfrantze 01/07/2000		lrb_docadmin 01/07/2000 lrb_docadmin 01/07/2000		S&L
/2	kenneda 02/22/2000	wjackson 02/22/2000	kfollet 02/23/2000		lrb_docadmin 02/23/2000		S&L
/3	kenneda 03/09/2000	wjackson 03/09/2000	hhagen 03/09/2000		lrb_docadmin 03/09/2000		



9-96
10-96

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** *to amend* 15.01 (4) and 59.031 (2) (c); and *to create* 15.07 (1) (a) 7, 15.07
2 (2) (h), 15.07 (5) (y), 15.07 (5m) (c), 15.20, 15.207, 20.430, ch. 52, 59.07 (152) and
3 62.09 (8) (cm) of the statutes; **relating to:** establishing a publicly financed
4 health care system for residents of this state, creating the department of health
5 planning and finance, health policy board, regional health councils, health
6 consumer advocacy council, ^{AND} health service provider council ~~and regional health~~
7 ~~advisory councils~~ and granting rule-making authority.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided on a subsequent draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

8 **SECTION 1.** 15.01 (4) of the statutes, as affected by 1995 Wisconsin Act
9 (Assembly Bill 1034), is amended to read:
10 15.01 (4) "Council" means a part-time body appointed to function on a
11 continuing basis for the study, and recommendation of solutions and policy
12 alternatives, of the problems arising in a specified functional area of state
13 government, except the Milwaukee river revitalization council has the powers and

1 duties specified in s. 23.18, the council on physical disabilities has the powers and
2 duties specified in s. 46.29 (1) and (2), the state council on alcohol and other drug
3 abuse has the powers and duties specified in s. 14.24, the regional health councils
4 have the powers and duties specified in s. 52.30 (1) and, before January 1, 2001, the
5 council on health care fraud and abuse has the powers and duties specified in s.
6 146.36.

7 SECTION 2. 15.07 (1) (a) 7. of the statutes is created to read:

8 15.07 (1) (a) 7. Members of the health policy board elected under s. 15.20 (1)
9 (a) shall be elected as provided in that section.

10 SECTION 3. 15.07 (2) (h) of the statutes is created to read:

11 15.07 (2) (h) The chairperson of the health policy board shall serve for a period
12 of 3 years~~x~~ AND FOR NO MORE THAN THREE TERMS.

No; inconsistent
with s.
51.20(1)

13 SECTION 4. 15.07 (5) (z) of the statutes is created to read:

14 15.07 (5) (z) Voting members of the health policy board, \$50 per day.

15 SECTION 5. 15.07 (5m) (c) of the statutes is created to read:

16 15.07 (5m) (c) *Health policy board.* Members of the health policy board may
17 be reimbursed for lost wages if required by their employers to use leave without pay
18 in order to attend meetings of the health policy board, and they may be reimbursed
19 for actual and necessary child care expenses without proof of financial hardship.

20 SECTION 6. 15.20 of the statutes is created to read:

21 **15.20 Department of health planning and finance.** (1) There is created
22 a department of health planning and finance under the direction and supervision of
23 the health policy board. The health policy board shall consist of the following
24 members, each of whom is to serve for a 6-year term and, if reelected or reappointed,
25 for an additional 6-year term and none of whom may be a health care provider, as

defined in s. 52.01 (6), an administrator or owner of a health care facility or organization or an elected public official:

(a) One member elected by and from the current membership of each of 6 regional health councils as specified under s. 15.207 (1) (b).

(b) Five members, nominated by the governor and with the advice and consent of the senate appointed, who reflect as much as possible a balance of gender, race, age, SEXUAL PREFERENCE, ETHNICITY, RELIGION, GEOGRAPHIC CONSIDERATIONS and the interests of management, labor and individuals with disabilities.

SECTION 7. 15.207 of the statutes is created to read:

15.207 Same; councils. (1) REGIONAL HEALTH COUNCILS. (a) There are created 6 regional health councils that are ^{ADVISORY TO THE HEALTH POLICY BOARD} ~~attached to the department of health planning~~ ^{No;} ~~and finance~~ ^{See} under s. 15.03, one of which is established in each of the following areas ^{D-NOTE} of this state:

1. The northern region, consisting of Ashland, Bayfield, Douglas, Florence, Forest, Iron, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Sawyer, Taylor, Vilas and Wood counties.

2. The southern region, consisting of Adams, Columbia, Crawford, Dane, Dodge, Grant, Green, Iowa, Jefferson, Juneau, Lafayette, Richland, Rock, Sauk and Vernon counties.

3. The western region, consisting of Barron, Burnett, Buffalo, Chippewa, Clark, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St. Croix, Trempealeau and Washburn counties.

4. The northeastern region, consisting of Brown, Calumet, Door, Fond du Lac, Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto, Outagamie, Shawano, Sheboygan, Waupaca, Waushara and Winnebago counties.

1 5. The southeastern region, consisting of Kenosha, Ozaukee, Walworth,
2 Washington, Waukesha and Racine counties.

3 6. The area within Milwaukee County.

4 (b) Each regional health council shall consist of the following members, none
5 of whom may be a health care provider, as defined in s. 52.01 (6), an administrator
6 or owner of a health care facility or organization or an elected public official, to serve
7 for 3-year terms ~~AND FOR NO MORE THAN THREE TERMS~~.

8 1. In the northern region, a total of 16 members, consisting of one member from
9 each county in that region. The county board of supervisors of each county in that
10 region shall appoint one person from that county.

11 2. In the southern region, a total of 15 members, consisting of one member from
12 each county in that region. The county board of supervisors of each county in that
13 region shall appoint one person from that county.

14 3. In the western region, a total of 17 members, consisting of one member from
15 each county in that region. The county board of supervisors of each county in that
16 region shall appoint one person from that county.

17 4. In the northeastern region, a total of 17 members, consisting of one member
18 from each county in that region. The county board of supervisors of each county in
19 that region shall appoint one person from that county.

20 5. In the southeastern region, a total of 12 members, consisting of 2 members
21 from each county in that region. The county board of supervisors of each county in
22 that region shall appoint 2 persons from that county.

23 6. In the area within Milwaukee County, a total of 12 members, consisting of
24 6 persons who are residents of the city of Milwaukee and are appointed by the mayor
25 of the city of Milwaukee, and 6 persons who are residents of Milwaukee County but

are not residents of the city of Milwaukee and are appointed by the county executive of Milwaukee County.

(2) HEALTH CONSUMER ADVOCACY COUNCIL. There is created a health consumer advocacy council that is attached to the department of health planning and finance under s. 15.03, consisting of 18 members, appointed by the health policy board for ~~STAGGERED 3- AND FOR NO MORE THAN THREE TERMS.~~ ~~****~~ ^{year terms} Members shall reflect as much as possible a balance of gender, race, age, sexual preference, ethnicity, religion, disability and geographic considerations and the interests and concerns of consumer advocacy. No member may be a health care provider, as defined in s. 52.01 (6), or a representative of an agency or organization that provides health care services or benefits that are specified under s. 52.10 (4).

(3) HEALTH SERVICE PROVIDER COUNCIL. There is created a health service provider council that is attached to the department of health planning and finance under s. 15.03, consisting of 18 members, appointed by the health policy board for ~~STAGGERED 3- AND FOR NO MORE THAN THREE TERMS.~~ ~~****~~ ^{year terms} Members shall reflect as much as possible a balance of gender, race, age, sexual preference, ethnicity, religion, disability and geographic considerations and the interests and concerns of agencies or organizations that provide health care services or benefits that are specified under s. 52.10 (4). No member may be a representative of an agency or organization that advocates on behalf of health care consumer interests.

~~(4) REGIONAL HEALTH ADVISORY COUNCILS. (a) There are created 6 regional health advisory councils that are attached to the department of health planning and finance under s. 15.03, one of which is established in each of the areas of the state that are specified under sub. (1) (a) 1 to 6.~~

~~(b) Each regional health advisory council shall consist of 18 members, appointed by the regional health council in that region of the state, to serve for **** - year terms. Members shall reflect as much as possible a balance of gender, race, age, sexual preference, ethnicity, religion, disability, geographic considerations and the interests and concerns of health consumers. Members may be health consumer advocates, health care providers, as defined in s. 52.01 (6), or representatives of health care facilities or health care providers.~~

SECTION 8. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

	1997-98	1998-99
20.430 Health planning and finance, department of		

(1) HEALTH POLICY BOARD

(a) General program operations	GPR	A	-0-	-0-
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SECTION 9. 20.430 of the statutes is created to read:

20.430 Health planning and finance, department of. There is appropriated to the department of health planning and finance for the following programs:

(1) HEALTH POLICY BOARD. (a) *General program operations.* The amounts in the schedule for the general program operations of the health policy board.

SECTION 10. Chapter 52 of the statutes is created to read:

CHAPTER 52

UNIVERSAL HEALTH PLAN

52.01 Definitions. In this chapter:

(1) "Block grant" has the meaning given in s. 16.54 (2) (a) 3.

(2) "Board" means the health policy board.

(3) "Department" means the department of health planning and finance.

(4) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

(5) "Health care facility" means a facility, as defined in s. 647.01 (4), or any hospital, nursing home, community-based residential facility, county home, county ^{ADULT FAMILY HOMES, ASSISTED LIVING ARRANGEMENTS, RURAL AND URBAN COMMUNITY HEALTH CENTERS,} infirmary, county hospital, county mental health center, tuberculosis sanatorium, hospice or other place licensed or approved by the department under s. 49.70, 49.71, 49.72, 50.02, 50.03, ^{50.034} 50.35, 50.90, 51.08, 51.09, 58.06, 252.073 or 252.076 or a facility under s. 45.365, 51.05, 51.06 or 252.10 or ch. 142, ^{AND OFFICES AND CLINICS OF PERSONS INCLUDED IN S. 52.01(6).}

(6) "Health care provider" means a provider of health care services or other benefits in this state that are specified under s. 52.10 ⁽⁵⁾ (4). (5).

(7) "Medicare" means coverage under part A or part B of Title XVIII of the federal social security act, 42 USC 1395 to 1395ccc.

(8) "Reimbursement" means payment for the provision of services and other benefits that are specified under s. 52.10 ⁽⁵⁾ (4). (5).

52.10 Universal health plan. (1) There is created a universal health plan in this state, under which, beginning on July 1, 1999, each eligible person shall receive reasonable medical service necessary to maintain health, enable diagnosis or provide treatment or rehabilitation for an injury, disability or disease, for which reimbursement shall be made by the department, except that no coverage is provided for orthodontia or for the performance of reconstructive or cosmetic surgery that is not determined to be medically necessary under criteria that are promulgated as rules by the department.

(2) Except as provided in sub. (5), each individual in this state who meets requirements of residency, under criteria promulgated as rules by the department, is eligible for coverage under the universal health plan. An individual's state residency is presumed unless rebutted by clear and convincing evidence. If the presumption is so rebutted, any reimbursement paid under the universal health plan for health care services rendered to the individual is a liability of the individual.

(3) (a) Any individual who is eligible under sub. (2) may receive services that are available under the universal health plan from any participating health care provider in this state.

(b) No individual who is eligible under sub. (2) may under this section be required to pay an amount as a deductible or copayment as a condition for receipt of services from a health care facility or health care provider.

~~(4) THE FOLLOWING GROUPS SHALL BE INCLUDED:~~ [INSERT A]

~~(5)~~ Health care services and other benefits provided under the universal health plan shall include all of the following:

(a) Services of all persons licensed, certified, registered or permitted to treat the sick under chs. 441, 446, 447, 448, 449, 450, 451, 455, 457 and 459.

(b) Health care services that are provided by health care facilities and the offices and clinics of persons under par. (a).

(c) Preventive health care services and health promotional programs, including well-child care, immunizations, screening, outreach and education.

(d) Durable medical equipment and appliances, including prosthetics, eyeglasses and hearing aids.

(e) Prescription drugs specified in the state formulary under the requirements of s. 52.50 (4) (n) and other drugs, if any, specified by the department by rule.

(f) Long-term care services that are necessary for the physical health, mental and emotional well being and social and personal needs of individuals who have ~~HEALTH CARE FACILITY SERVICES;~~ limited self-care capabilities, including home health care; hospice care; home-based and community-based services, including personal assistance and attendant care; and periodic needs assessments.

(g) Mental health treatment and services, including substance abuse and brain injury treatment.

(h) Dental services, as specified under s. 49.46 (2) (b) 1.

7 DNotes
~~(6) PERSONS WHO HAVE EXISTING HEALTH CARE COVERAGE PAID FOR BY SELF OR OTHER OR EMPLOYER SHALL BE EXEMPT DURING SUCH COVERAGE FROM ANY STATE HEALTH CARE TAXATION UNTIL THE EFFECTIVE DATE OF THE UNIVERSAL HEALTH PLAN WHICH SHALL BE SUPPLEMENTAL IN THE EVENT THAT COVERAGE DATES COINCIDE.~~
~~(5) The universal health plan is the payer of last resort and coverage under the universal health plan is supplemental to any health care coverage in force that is held by an individual. COVERAGE OTHER THAN THROUGH THE UNIVERSAL HEALTH PLAN AUTHORIZED THROUGH CH. 52.~~
~~(6) AFTER THE EFFECTIVE DATE, THERE SHALL BE NO NEW OR RENEWED EXCEPT FOR CARE NOT PROVIDED~~

52.20 Health policy board; powers and duties. (1) The board shall approve and continually evaluate the listing of approved medicinal substances and formulae that is required under s. 52.50 (4) (n).

40
~~(2) THE BOARD SHALL FORMULATE AND OVERSEE COST CONTAINMENT GUIDELINES AND POLICIES FOR BIENNIAL REVISION AND PROMULGATION AND INCLUDE EVALUATION OF MECHANISMS USED TO CONTAIN COSTS FOR SERVICE PROVISION.~~
 (2) The board shall review at least all of the following issues and formulate or revise policies, as appropriate, with respect to the issues:

(a) The sources of revenues for the administration of the department and the board and for financing the payment of medical services that are provided to residents under the universal health plan.

(b) Information provided by the regional health councils.

(c) Development of a system for determination and periodic review of areas in this state, and specific populations within those areas, that are medically underserved; and development of plans for providing health care services to those areas and populations, including the establishment of community health centers.

(d) Development of a system for periodic reviews and evaluations of all aspects of the operation of the universal health plan, including the adequacy, cost, effectiveness and quality of health care services provided.

(e) Development of a notice and hearing procedure for review of complaints of residents under the universal health plan, in accordance with the requirements of ch. 227.

~~(f) Periodic evaluations of mechanisms for containing costs for services provided under the universal health plan.~~

(f) Other issues that the board determines are relevant to the universal health plan.

(g) State statutory changes that may be necessary to effect pars. (a) to (g).

(4) By January 1, April 1, July 1 and October 1 of each year the board shall report to the governor on the revenues to and expenditures of the universal health plan for the next most immediately preceding calendar quarter.

(5) The board shall establish payment rates and conditions of payment for the provision of health care services under the universal health plan.

52.30 Regional health councils; powers and duties. (1) Each regional health council shall do all of the following:

(a) Elect one member of the regional health council to serve as a member of the board under s. 15.20 (1) (a). If the term of the member who is so appointed expires with respect to the regional health council or with respect to the board under s. 15.20 (1) (a), the regional health council shall elect a current member of the council to serve as a member of the board in his or her stead.

(b) Study and continuously monitor the delivery and quality of and access to health care services in the region of the regional health council and recommend to

1 the board ways to improve the quality of and help ensure access to health care
2 services. ^{RECOMMEND TO THE BOARD PAYMENT RATES AND CONDITIONS APPROPRIATE TO}
^{(C) SPECIFIC REGIONAL NEEDS AND ADVISE ON REGIONAL HEALTH CARE}
^{(D) POLICY ISSUES AND ADMINISTRATIVE POLICIES AND PROCEDURES.}
3 (d) Study and continuously monitor the unmet health care service needs in the
4 region of the regional health council and recommend to the board ways by which the
5 needs may be met.

6 (e) Report at least annually to the board with respect to the health care needs,
7 problems and concerns of the region and provide to the board recommendations to
8 alleviate these needs, problems and concerns.

9 (f) Require reports from and advise the member of the staff of the appropriate
10 regional office whose duties are specified under s. 52.50 (1), concerning issues that
11 arise under pars. (b) to (d)

12 (g) Perform other duties as required by the board.

13 ~~(2) Each regional health council shall appoint the members of a regional health~~
14 ~~advisory council.~~

15 (2) Each regional health council may, for cause, recall the member elected
16 under sub. (1) (a) and may elect another member to fulfill that term on the board if
17 all of the following are done:

18 (a) The elected member of the board for whom recall is sought receives notice
19 of the recall prior to the meeting at which recall is voted upon.

20 (b) Notice of the recall of the elected member is made on the agenda of the
21 meeting of the regional health council that is immediately prior to the meeting at
22 which recall is voted upon.

23 ~~52.40 Regional health advisory councils; powers and duties. (1) Each~~
24 ~~regional health advisory council shall provide all of the following annually to the~~

~~appropriate regional health council, the health consumer advocacy council, the health service provider council and the director of the appropriate regional office:~~

~~(a) A summary of the activities of the regional health advisory council during the most recent entire state fiscal year.~~

~~(b) Recommendations concerning regional health care policy issues and regional health administrative policies and procedures.~~

⁽³⁾
~~(2)~~ Each regional health advisory council may receive services of the staff of the appropriate regional office that deals with issues of health consumer advocacy and health ombudsman functions.

^{524D}
~~52.50~~ Department of health planning and finance. (1) The department shall administer the universal health plan, including establishing regional offices in each of the regions specified under s. 15.207 (1) (a) 1. to 6. Each regional office shall have at least one staff member who acts as a regional consumer advocate and health care ombudsman.

(2) The department shall, after review and approval by the board, promulgate as rules all of the following:

(a) Guidelines for cost containment under the universal health plan.

(b) Criteria for determining state residency for the purposes of eligibility under the universal health plan.

(c) Criteria for determining medical necessity for orthodontia and for the performance of reconstructive or cosmetic surgery for coverage under the universal

health plan, INCLUDING ESTABLISHMENT OF A CONTINUING MEDICAL ADVISORY COMMITTEE TO KEEP CRITERIA UP TO DATE. THE COMMITTEE SHALL NOT BE RESPONSIBLE FOR CASE REVIEWS OR APPEALS.
^{BIENNIALLY EVALUATE AND}

(3) The department shall ~~annually~~ recommend to the board cost control measures for the universal health plan.

1 (4) The department shall, by January 1, 1999, begin implementation of
2 ^{FOLLOWING S. 52.2C(3)}
processes to effect all of the following:

3 (a) Specifying the amounts and sources of funds to finance payment to
4 ~~residents~~ ^{PROVIDERS} under the universal health plan, excluding all premiums, copayments,
5 deductibles and other forms of direct payment by patients, and including all of the
6 following:

7 1. Use of federal, state and local moneys that fund, as of January 1, 1999, health
8 care services, including medicare, medical assistance, health care services funded by
9 a relief block grant under s. 49.02, services provided under federal block grants,
10 alcohol and other drug abuse services and services provided by local public health
11 agencies.

12 2. Use of revenues from a tax on employers, based on the amount of wages that
13 they pay, that generates, in the aggregate, revenues that are at least equal to
14 amounts that employers contribute, as of the effective date of this subdivision
15 [revisor inserts date], for employee health care benefit costs, including the costs of
16 worker's compensation attributable to health care for injured employees.

17 3. Use of revenues from a graduated income tax on individuals that generates,
18 in the aggregate, revenues that are not greater than expenditures that individuals
19 make, as of July 1, 1999, for health care costs for which coverage under disability
20 insurance policies is not obtained.

21 4. An indexing of the sources of revenues under this paragraph that provides
22 for revenue growth that is equivalent to the anticipated growth of health care costs
23 under the universal health plan.

24 (b) Applying for waivers to 42 USC 1396 to 1396u or considering the feasibility
25 of statutory changes to 42 USC 1396 to 1396u in order to effect all of the following:

1 1. Administration of the medical assistance program in this state by the
2 department, rather than by the department of health and family services.

3 2. Use of federal financial participation to fund a portion of the administrative
4 costs, after June 30, 1999, of the department.

5 3. Use of federal financial participation, after June 30, 1999, to fund, under the
6 universal health plan, the health care services received by a percentage of the
7 residents that corresponds to the percentage of the residents, as determined by the
8 board, that is eligible to receive health care services under the medical assistance
9 program on July 1, 1999.

10 4. The formulation of criteria and procedures for payment of out-of-state
11 health care costs incurred by residents specified in subd. 3.

12 5. Use of federal financial participation to fund the scope, or a portion of the
13 scope, of medical services to be provided under the universal health plan.

14 (c) Applying for waivers to 42 USC 1395 to 1395ccc or considering the feasibility
15 of statutory changes to 42 USC 1395 to 1395ccc in order to effect all of the following:

16 1. Administration of the medicare program in this state by the department,
17 rather than by private insurers.

18 2. Use of federal funds under 42 USC 1395 to 1395ccc to fund a portion of the
19 administrative costs, after June 30, 1999, of the department.

20 3. Use of federal funds under 42 USC 1395 to 1395ccc to fund, under the
21 universal health plan, the health care services received by residents who are eligible
22 to receive services under 42 USC 1395 to 1395ccc beginning on July 1, 1999.

23 4. The formulation of criteria and procedures for payment of out-of-state
24 health care costs incurred by residents specified in subd. 3.

1 5. Use of federal funds under 42 USC 1395 to 1395ccc to fund the scope, or a
2 portion of the scope, of medical services to be provided under the universal health
3 plan.

4 6. The assignment to the state, as represented by the department, of rights of
5 an individual to payment for medical care from any 3rd party.

6 (d) Applying for waivers or considering the feasibility of statutory changes to
7 federal laws, other than those specified in pars. (b) and (c), in order to use moneys
8 available under those federal laws for payment of health care services under the
9 universal health plan or in order to provide services to all residents under the
10 universal health plan.

11 (e) The establishment and maintenance, with reserves of no less than 5% of the
12 total annual health budget, of a health trust fund in the department, for receipt of
13 revenues specified in par. (a).

14 (f) The formulation of criteria for determining payment and the formulation of
15 procedures for determining payment and negotiating applicable rates to be used for
16 payment for health care providers, including health care facilities, under the
17 universal health plan. The criteria and procedures for determining payment shall
18 include the concept of periodic overall budgeting, including separately budgeting for
19 operational costs; for health care facilities and services; for negotiations with
20 professional groups or associations of practitioners; for consideration of inflation
21 costs and increased patient populations; and for research and teaching.

22 (g) The formulation of criteria and procedures to review and to provide funding
23 for capital expenditures, from an account separate from that from which health care
24 services are paid, for the establishment, maintenance or expansion of health care
25 facilities.

1 (h) The formulation of prohibitions on issuance of disability insurance policies
2 that duplicate the coverage provided under the universal health plan.

3 (i) The formulation of criteria and procedures for recovery of overpayments
4 made to health care providers under the universal health plan.

5 (j) The determination and use of factors requisite to establishing an annual
6 state health budget for the provision of services under the universal health plan.

7 (k) Applying for waivers of 29 USC 1144 (a) or considering the feasibility of
8 statutory change to 29 USC 1144 (a) or the means by which operation of the universal
9 health plan may avoid conflict with 29 USC 1144 (a).

10 (L) Investigation of the feasibility of providing the state with subrogation
11 rights to payments for injury or disease to residents that are provided under motor
12 vehicle or other liability insurance policies or plans.

13 (m) Formulation of criteria and procedures for payment under the universal
14 health plan of out-of-state health care costs incurred by residents.

15 (n) Establishment of a listing of approved medicinal substances and formulae,
16 including all of the following:

17 1. Negotiation with pharmaceutical manufacturers or distributors to obtain
18 the lowest possible cost for each medicinal substance. The negotiation shall include
19 as parties on behalf of the universal health plan the secretary of the department and
20 the chairpersons of the board, the health consumer advocacy council and the health
21 service provider council.

22 2. Establishment of a single statewide price, under the universal health plan,
23 for each medicinal substance.

24 3. Monitoring the listing to oversee its currency and revising the listing by
25 January 1 and July 1 annually.

1 4. Negotiating a statewide uniform dispensing fee with representatives of
2 pharmacists or pharmacies.

3 (o) Other issues that the department determines are relevant to the universal
4 health plan.

5 **SECTION 11.** 59.17 (2) (c) of the statutes, as affected by 1995 Wisconsin Act 201,
6 is amended to read:

7 59.17 (2) (c) Appoint the members of all boards ~~and~~, commissions and councils
8 where appointments are required and where the statutes provide that the
9 appointments are made by the county board or by the chairperson of the county
10 board. All appointments to boards ~~and~~, commissions and councils by the county
11 executive are subject to confirmation by the county board.

12 **SECTION 12.** 59.53 (24) of the statutes is created to read:

13 59.53 (24) REGIONAL HEALTH COUNCIL. The board may appoint members of a
14 regional health council, as specified in s. 15.207 (1) (b).

15 **SECTION 13.** 62.09 (8) (cm) of the statutes is created to read:

16 62.09 (8) (cm) The mayor of a 1st class city may, with the advice and consent
17 of the common council of that city, appoint 6 members of a regional health council,
18 as specified under s. 15.207 (1) (b) 6.

19 **SECTION 14. Nonstatutory provisions; health planning and finance.**

20 (1) HEALTH POLICY BOARD; APPOINTMENT OF MEMBERS. Notwithstanding the
21 length of terms specified for the voting members of the health policy board under
22 ~~section~~ 15.20 (1) (intro.) of the statutes, as created by this act, the initial members
23 of the health policy board shall be appointed or elected by the first day of the 3rd
24 month beginning after the effective date of this subsection for the following terms:

1 (a) Two members specified under ~~section~~ 15.20 (1) (b) of the statutes, as created
2 by this act, and 2 members specified under ~~section~~ 15.20 (1) (a) of the statutes, as
3 created by this act, one of whom is elected from the northern regional council and one
4 of whom is elected from the southeastern regional council, for terms expiring on May
5 1, 2001.

6 (b) Two members specified under ~~section~~ 15.20 (1) (b) of the statutes, as created
7 by this act, and 2 members specified under ~~section~~ 15.20 (1) (a) of the statutes, as
8 created by this act, one of whom is elected from the northeastern regional council and
9 one of whom is elected from the regional council within the area of Milwaukee
10 County, for terms expiring on May 1, 2003.

11 (c) One member specified under ~~section~~ 15.20 (1) (b) of the statutes, as created
12 by this act, and 2 members specified under ~~section~~ 15.20 (1) (a) of the statutes, as
13 created by this act, one of whom is elected from the southern regional council and one
14 of whom is elected from the western regional council, for terms expiring on May 1,
15 2005.

16 ³ (2) PROPOSED ^{IMPLEMENTATION} ~~LEGISLATION~~ ⁵⁷ [SEE INSERT B]
17 and finance and the secretary of the department of administration shall, beginning
18 on January 1, 1998, and ending on September 1, 1998, meet at least semimonthly to
19 formulate decisions on issues concerning the universal health plan and the
20 department of health planning and finance, as specified in ~~chapter~~ 52 of the statutes,
21 as created by this act and as the scope and functions plan and the department affect
22 the scope and functions of the department of health and family services, the office
23 of the commissioner of insurance, the board on aging and long-term care and the
24 duties or powers of any other state agency. The department of health planning and
25 finance shall convey these decisions to and cooperate with the legislative reference

LEGISLATIVE AMENDMENTS ARE
1 bureau in the drafting of proposed legislation that is necessary to meet those issues,
2 for introduction in the legislature on or before January **, 1999, by the appropriate
3 committee of the legislature.

4 **~~SECTION 15. Nonstatutory provisions; legislative reference bureau.~~**

5 ~~(1) DRAFTING PROPOSED LEGISLATION ON THE UNIVERSAL HEALTH PLAN. The~~
6 ~~legislative reference bureau shall, after meeting with and receiving the decisions of~~
7 ~~the department of health planning and finance with respect to the universal health~~
8 ~~plan, prepare in proper form proposed legislation that shall relate to those decisions,~~
9 ~~for introduction on or before January **, 1999, by the appropriate committee of the~~
10 ~~legislature.~~

11 **SECTION 15. Effective dates.** This act takes effect on the day after
12 publication, except as follows:

13 (1) The creation of section 52.10 of the statutes takes effect on July 1, 1999.

14 (END)

INSERT A

(a) Individuals, other than those specified in par. (b), who have no coverage under disability insurance policies.

(b) Individuals who have no coverage under disability insurance policies and who receive state-funded or locally funded health care, treatment for nervous or mental disorders or treatment or prevention services for alcohol and other drug abuse.

(c) Individuals who are employees of state, county, city, village or town government and who, as a benefit of the employment, have coverage for themselves and family members under provisions of group disability insurance policies or under self-insured health plans.

(d) Individuals, other than those specified in par. (c) or (h), who, by reason of their employment or as family members of individuals who are employed, have coverage under group disability insurance policies.

(e) Individuals who have coverage under individual disability insurance policies.

(f) Individuals who have coverage under the health insurance risk-sharing plan under subch. II of ch. 619.

(g) Individuals who are eligible for benefits or services under s. 49.46 or 49.47, medicare or block grants that provide health care services.

(h) Individuals who are employees of self-insured employers, other than those specified in par. (c), and who receive health care benefits for themselves and family members under self-insured health plans.

(i) Individuals who receive medical benefits under worker's compensation.

I N S E R T B

- a. The department of administration shall expedite creation of health councils in accord with ss.15.207(a) and (b) by initiating and making follow-up contacts with boards of supervisors in 71 counties and in Milwaukee the County Executive and Mayor.
- b. The department of administration shall provide sufficient staff, office space and equipment, and funds to complete all activities required to (1) create the six health councils and (2) have each health council elect one member of the health policy board in accord with s.1507.(1)(a)7.
- c. The department secretary shall be appointed when all elected or appointed members of the board assemble for its first meeting.

Paul H. Kusuda, ACSW, CISW
200 Tompkins Dr.
Madison, Wisconsin 53716-3255
June 28, 1996

Debora A. Kennedy, Esq.
Assistant Chief Counsel
Legislative Reference Bureau
P.O. Box 2037
Madison, WI 53701-2037

Dear Ms. Kennedy:

Yesterday, Rowland Todd, I, and others were attending a legislative hearing at the Capitol concerning Administrative Rules about assisted living facilities. Rowland decided to check with Representative Peter Bock's office to see if by chance your pre-preliminary draft of the Wisconsin Universal Health Plan happened to be received. We did not expect availability so soon but thought it was worth a shot since the hearing was a little delayed.

Much to Rowland's delightful surprise, he found out that your draft had been received very recently. Mr. Bock's staff person made copies for him and me, so now we shall review it. I had copies made of my copy and shall distribute to members of the Coalition for Wisconsin Health's Drafting Committee for review and later discussion.

Thank you very much for putting the pre-preliminary draft together and completing that task so much earlier than we had anticipated. As we discussed, our Drafting Committee will review and suggest modifications or additions. Then, Rowland and I shall discuss them with Representative Bock who will transmit resulting suggestions to you for your consideration. We really appreciate your very helpful cooperation and assistance.

Sincerely yours,



Paul H. Kusuda, Chair
CWH Drafting Committee

cc. Representative Peter Bock
Mr. A. Rowland Todd
Mr. Art Taggert, CWH Chair
Members, CWH Drafting Committee
Mr. David Slautterback; Chair, AARP Health Subcommittee

October 3, 1996

Debora A. Kennedy, Esq.
Assistant Chief Counsel
Legislative Reference Bureau
P.O. Box 2037
Madison WI 53701-2037

DRAFT

Dear Ms. Kennedy:

After each member of the Coalition for Wisconsin Health Drafting Committee received individual copies of your June 14 draft of the Wisconsin Universal Health Plan, the Committee met on August 9 and 15 and September 5. They reviewed your explanatory memorandum, responded to each item, and suggested changes to the text.

Mr. Art Taggart, CWH Chair, provided me with information resulting from the three committee meetings. During its September 19 meeting, CWH members present unanimously approved the suggested changes entered on the enclosed draft, including the inserted material. The points are incorporated in this letter. You will note that the Committee followed your suggestion that their work be on the document itself with longer pieces as inserts.

I shall be pleased to meet with you for additional discussion. I plan to ask that Art Taggart, Rowland Todd, and Paul Kusuda be part of any discussion since they are so closely involved.

I shall respond to your points seriatim.

- ✓ 1.a. We agree with your replacements except that we believe the Councils should be advisory to the Board rather than attached to the Department.
- ✓ 1.b. We agree that the dollar amounts for Fiscal Years 1998 and 1999 should be estimated later, perhaps with Legislative Fiscal Bureau help.
- ✓ 1.c. We have no question about your omitting the definition of "resident" from s.52.01. We also agree with what you did with the definition of "reimbursement." We are pleased with your changes in the definition of "health care provider" and "health care facility" and have added an expansion to your suggestion by including the concept of both rural and urban community health centers. To reflect a growing development in service provision, we also added "offices and clinics."
- ✓ 1.d. Although we agree with omitting the definition of "cosmetic surgery" in s.52.10(1), and covering the concept in s.52.50(2)(c), we have kept the idea of a continuing medical advisory committee to enable keeping criteria up to date. As you recommended during our January 18, 1996, meeting,

we dropped details which can be developed later through Administrative Rules. That Committee's purpose will be to recommend guidelines and criteria, not to review individual cases or act on appeals.

✓ 1.e. Despite the fact that ss.52.10(1) and (2) define eligibility, we believe that specificity would be helpful to assure that individuals will not fall through cracks developed by Department staff who might be spurred to cut costs regardless of potential consequences. We do not believe that "eligible" is sufficiently defined. We have therefore added INSERT A which was lifted from the draft submitted earlier.

✓ 1.f. We looked at s.15.05(1(b) with which we were not fully aware. Of course, you are correct. We agree that Regional Health Councils should provide recommendations for the Board to follow or reject. We have added s.15.30(1)(c) to pick up on recommendations as to payment rates and conditions appropriate to regional needs. We value the grassroots elements of WUHP. To avoid misinterpretation as to Board intent about cost containment issues, we added 52.20(2).

✓ 1.g(1). We agree with your dropping old s.52.20(2) dealing with integrity of the annual health budget since we have no intent to "stick" the Board with personal liability.

✓ 1.g(2). We have enclosed a copy of a May 1996 document from DHSS (now DHFS) that specifically refers to Wisconsin's Gross State Product. Thus, it appears that the answer may be found in the Evaluation Section of the DHFS Office of Policy and Budget.

✓ 1.g(3). You raised an excellent question. We gave further thought to the matter of placing a cap on expenditures. Perhaps, that should be left for later consideration and implementation through the Administrative Rules procedures. Carrying out the concept is easier said than done.

✓ 1.h. We suggest an addition to s.15.07(h) to set a three-term limit. The same limitation was set for members of Regional Health Councils, no need being seen for staggered terms since an assumption may be made that turnover will occur naturally. The same limitations, viz., three-year terms not to exceed three terms, should be applied to members of the two Councils. The three-year term was already established for Regional Health Councils in s.15.207(1)(b).

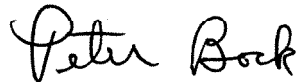
✓ 1.i(1). We agree with your action.

✓ 1.i(2). We agree with your omission of penalties. Again, most of the language should be left for Administrative Rules; however, we would like to make certain that such Rules are later developed and promulgated by the Board.

- ✓ 2. We did not intend to delete exemption of WUHP from Ch. 133. Please reinsert where applicable. Thanks for catching our oversight.
- ✓ 3a. We agree that the Department should not carry out activities not reviewed in advance by the full Board. Some CWH members believe that speed-up is necessary so the Department will move quickly; however, after considerable discussion, the consensus was that a full Board should decide whom to appoint as Department Secretary.
- ✓ 3b. You are correct. We shall appreciate your making certain that the language will be such as to assure appropriate adjustments as required.
- ✓ With reference to s. 52.40(2), Drafting Committee members hope you can help with statutory language enabling placement of health consumer advocacy and health ombudsman responsibilities in a civil service position(s) outside the Department.

Thank you very much for the thought and time you gave in drafting the Wisconsin Universal Health Plan. We realize that the process consists of modifications and know you will continue to help us as we move toward bill introduction and amendments.

Sincerely yours,



Peter Bock, Representative
Assembly District 7